

Message Text

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ACTION ARA-10

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SUBJ: PRESIDENT MORALES BERMUDEZ' PRESS CONFERENCE--RECONFIRMATION
OF GOP GOALS

1. FOLLOWING THE INAUGURATION OF THE MASSIVE CERRO VERDE
STATEOWNED COPPER MINE MAY 21, PRESIDENT MORALES BERMUDEZ HELD
A PRESS CONFERENCE, FIELDING A WIDE RANGE OF QUESTIONS ON POL-
ITICAL AND ECONOMIC MATTERS. THE TOPICS COVERED INCLUDED THE
FOLLOWING:

2. ELECTIONS AND A NEW CONSTITUTION -- MORALES BERMUDEZ DISCUSSED
THE GOVERNMENT'S PLAN "TUPAC AMARU", STATING THAT THE GOP
HOPES TO ANNOUNCE A TIMETABLE FOR POLITICAL DEVELOPMENTS (CONST-
ITUTION, MUNICIPAL ELECTIONS AND NATIONAL ELECTIONS) ON INDEP-
ENDENCE DAY, JULY 28. REJECTING THE ADVICE OF THOSE POLITICIANS
WHO COUNSELED AGAINST SCRAPPING THE 1933 CONSTITUTION, MORALES
BERMUDEZ TOLD REPORTERS THAT THE GOP FAVORS A NEW CONSTITUTION
WHICH WILL REFLECT THE "FUNDAMENTAL CHANGES OF THE PERUVIAN
PROCESS". MORALES BERMUDEZ POINTED OUT THAT THE GOVERNMENT
LEFT THE QUESTIONS OF PROCEDURES FOR CONSTITUTIONAL ELABORATION
AND GRATIFICATION OPEN TO NATIONAL DEBATE. "WE HAVE NOT
SPOKEN OF A PLEBISCITE, WE HAVE NOT SPOKEN OF A CONSTITUENT
ASSEMBLY". AS FOR ELECTIONS, THE PERUVIAN PRESIDENT SAID THAT
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THE GOVERNMENT IS WORKING ON A MUNICIPAL LAW AND THE LEGAL
FRAMEWORK FOR LOCAL ELECTIONS. HE DECLARED THAT THE GOP PLANS
TO COMPLETE THE TRANSITION TO CIVILIAN RULE BY 1980. THE
INTERIM PERIOD WOULD BE NECESSARY, HE SAID, TO "RESOLVE PERU'S
FINANCIAL PROBLEMS AND TO PERMIT THE CITIZENRY TO ORGANIZE
POLITICALLY IN ACCORDANCE WITH CONTEMPORARY PERUVIAN REALITY".

3. PUBLIC ADMINISTRATION AND CIVILIAN MINISTERS -- MORALES

BERMUDEZ TOLD REPORTERS THAT A MAJOR REORGANIZATION OF PUBLIC ADMINISTRATION IS UNDER STUDY. BECAUSE OF THAT AND FOR BUDGETARY REASONS THE PREVIOUSLY ANNOUNCED REESTABLISHMENT OF THE JUSTICE MINISTRY WOULD BE DELAYED. WHEN QUERIED ABOUT THE POSSIBILITY OF BRINGING MORE CIVILIANS INTO THE CABINET, MORALES BERMUDEZ REPLIED THAT "NOTHING PREVENTS IT", ADDING THAT IT DEPENDS UPON POLITICAL DEVELOPMENTS.

4. FOREIGN POLICY -- MORALES BERMUDEZ AGAIN STRESSED THAT PERU'S

FOREIGN POLICY IS FOCUSED ON LATIN AMERICA AND THE "AMERICAN CONTINENT". AT THE SAME TIME, PERU WOULD NOT "NEGLECT THE ACHIEVEMENTS GAINED IN CONCERT WITH THIRD WORLD AND NON-ALIGNED COUNTRIES".

5. ECONOMIC CRISIS AND FOREIGN INVESTMENT -- MORALES BERMUDEZ

CONTENDED THAT PERU IS IN A FINANCIAL RATHER THAN ECONOMIC CRISIS-- THE FINANCIAL CRISIS IS PARTLY DUE TO THE GOVERNMENT'S "ENTHUSIASM" FOR LARGE SCALE DEVELOPMENT PROJECTS. REFERRING TO THE IMF NEGOTIATIONS, MORALES BERMUDEZ MADE AN EFFORT TO DISTINGUISH IMF'S FINANCIAL VIEWS FROM PERU'S LONG-RANGE DEVELOPMENTS POLICIES, STATING THAT THE "FUND'S POINT OF VIEW HAS NOTHING TO DO WITH SOCIAL GOALS OR POLITICAL ASPECTS OF THE COUNTRY'S DEVELOPMENT". THE GOP, SAID MORALES BERMUDEZ, WOULD CONSIDER THE POLITICAL IMPLICATIONS OF SEEKING FINANCING THROUGH THE IMF. HE AGAIN WELCOMED FOREIGN INVESTMENT AND NOTED THAT INVESTMENT CONDITIONS RELATED TO DECISION 24 OF THE ANDEAN PACT "HAVE BECOME MORE FLEXIBLE" AND SHOULD BE SUFFICIENT FOR THE FOREIGN INVESTOR. MORALES BERMUDEZ STATED THAT BOTH DIRECT UNCLASSIFIED

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FOREIGN INVESTMENT LIKE CUAJONE AND INDIRECT INVESTMENT LIKE THAT WHICH FINANCED CERRO VERDE ARE IMPORTANT FOR NATIONAL DEVELOPMENT. THERE SHOULD ALSO BE MIXED VENTURES OF STATE CAPITAL AND PRIVATE FOREIGN INVESTMENT, AND MORALES BERMUDEZ AFFIRMED THAT THE GOP WAS NEGOTIATING WITH FOREIGN COMPANIES FOR JOINT DEVELOPMENT OF QUELLAVECO (NEAR CUAJONE).

6. COMMENT: THIS PRESS CONFERENCE SERVED PRIMARILY TO RECONFIRM GOP COMMITMENT TO A POLITICAL TRANSITION INCLUDING A NEW CONSTITUTION AND NATIONAL ELECTIONS BY 1980. THE PRESIDENT SEEMED TO SEPARATE MUNICIPAL ELECTIONS FROM THE CONSTITUTIONAL QUESTION, PERHAPS IMPLYING THAT THE NEW MUNICIPAL SYSTEM WOULD BE ONE OF THE "FUNDAMENTAL CHANGES" TO BE INCORPORATED INTO THE NEW CONSTITUTION. BY FORECASTING A DECISION ON TRANSMISSION, SPECIFICALLY INCLUDING A TIMETABLE BY JULY 28, MORALES BERMUDEZ HELPS MAINTAIN THE PERIOD OF "GOOD FEELING" (RELATED TO EXPECTATIONS OF THE DIFFERENT POLITICAL GROUPS) AT LEAST UNTIL THEN. IN THE ECONOMIC AREA, MORALES BERMUDEZ ATTEMPTED TO MINIMIZE THE CRISIS BY RELATING IT TO TEMPORARY FINANCIAL DIFFICULTIES

CONNECTED WITH AMBITIOUS FIRST PHASE DEVELOPMENT PROJECTS.

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Disposition Event:
Disposition History: n/a
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